

EXHIBIT 1

Duffy, Todd E.

From: Shull, Hugh [hshull@law.nyc.gov]
Sent: Tuesday, July 12, 2011 5:13 PM
To: Duffy, Todd E.; Brodie, Nancy
Cc: Dumain, Rita; Glotzer, Scott; Jewell, Eric
Subject: RE: In re USA United Fleet Inc. et al.

Todd,

I have been in court all day in White Plains and am just now seeing this e-mail thread. I just wanted to advise you that you are misconstruing what I purportedly said. I never said or meant that the assignments of the contracts were not yet legally effective. Further, the law is clear that the City cannot be estopped based on statements of City employees.

Hugh

From: Duffy, Todd E. [mailto:tduffy@andersonkill.com]
Sent: Tuesday, July 12, 2011 2:25 PM
To: Brodie, Nancy
Cc: Shull, Hugh; Dumain, Rita; Glotzer, Scott; Jewell, Eric
Subject: RE: In re USA United Fleet Inc. et al.

Thank you for letting me know.

-----Original Message-----

From: Brodie, Nancy [mailto:nbrodie@law.nyc.gov]
Sent: Tuesday, July 12, 2011 2:05 PM
To: Duffy, Todd E.
Cc: Shull, Hugh; Dumain, Rita; Glotzer, Scott; Jewell, Eric
Subject: RE: In re USA United Fleet Inc. et al.

Please be advised that the DOE is not in a position at this time to consent to your request.

From: Duffy, Todd E. [mailto:tduffy@andersonkill.com]
Sent: Monday, July 11, 2011 10:27 PM
To: Brodie, Nancy
Cc: Shull, Hugh
Subject: In re USA United Fleet Inc. et al.

Dear Nancy:

It was nice speaking with you earlier tonight. This will confirm our conversation. As I mentioned, my client believes that it is imperative to have access to cash collateral to, among other things, pay the bus drivers and other employees as soon as possible. Pursuant to the Judge's instructions today in Court, we would prefer to accomplish this consensually with the City. As I mentioned, I can think of only two ways to accomplish this quickly:

First, that USA United Fleet, Inc., USA United Transit Inc., USA United Bus Express Inc, and United Tom Tom Transportation Inc. merge with Northeast Transit, Inc., Northeast Buses, Inc. and Northern Transit,

7/12/2011

Inc. As I envision it, the resulting companies would be the three Northeast Transit Companies solely owned and run by Bill Moran. The three northeast companies would be performing the exact contracts as registered with the Comptrollers office. **THERE WOULD BE NO CHANGE TO THE BOARD OF EDUCATION**, as long as the contracts would remain in the Estate, I'm certain that the Court would have no problem with the relief requested.

Second, that the Debtors make a motion to enforce the automatic stay based, in part, on the comment made by Hugh Shull of your office that "Northeast Transit was not responsible for service until July 18, 2011". Since the assignment would not go into effect until July 18, 2011, the automatic stay would prevent that from ever happening and the contracts would remain in the Estate under the United vendors.

Since last August, it was Mr. Moran's intention to purchase contracts from the United Companies and work hand in glove with the NYC Department of Education to provide safe and reliable service to the children of the City of New York while providing a cost savings to the City of more than \$10 million per year. It is still Mr. Moran's intention and hope to provide this service through the Northeast Companies. We hope that we can work together to make this a reality.

Because the bus drivers and other employees have gone without their hard earned pay since Friday, we feel compelled to make this motion, if necessary, immediately. Accordingly, if I do not hear from anyone from the City Law Department by Tuesday, July 12, 2011 at 3:00 p.m., I will file the motion to enforce the automatic stay.

Best regards,

Todd Duffy



Todd E Duffy
Shareholder

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